



Division of Insurance

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FOR IMMEDIATE RELEASE

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Consumer Alert: Annuities and Veterans' Pension Qualifications - What Retired Military Need to Know Before Transferring Assets

Denver – The [Colorado Division of Insurance](#) and the [National Association of Insurance Commissioners \(NAIC\)](#) are warning consumers about questionable strategies aimed at helping military veterans qualify for pension benefits.

Many of the nation's 16 million living veterans and their families plan for future financial needs. Some turn to financial and estate planning services accredited by the Veterans Administration (VA). But according to a recent [Government Accountability Office \(GAO\) Report](#), some of these insurance agents, financial planners and lawyers take advantage of veterans by putting their money into financial products that may not be suitable. The Division of Insurance and the NAIC offer these tips to consumers considering military pension benefits.

Accreditation and Licensing: Pension benefits are available to low-income wartime veterans who are 65 and older, or who are permanently and totally disabled by conditions unrelated to their military service. The VA has accredited financial planners and lawyers who can help veterans and their families with the paperwork for these benefits. This accreditation means the individual is trained to fill out and file the VA paperwork, but the products they sell to seniors to help finance their long-term care are not endorsed by the VA. Those who sell financial and insurance products must be licensed to sell those products. So before agreeing to any assistance with a VA benefit, make sure the individual is accredited through the VA and, if offering an annuity or other insurance product, [licensed](#) by the Division of Insurance.

Transferring Assets/Investing in Annuities: The recent GAO report found that some financial planners suggest veterans transfer assets to family members or a trust to help them qualify for a pension. While the GAO pointed out that this is allowable, some planners do not warn the veterans or their families of other financial issues this could cause. The GAO report also said that some planners sell products to senior veterans that may make them ineligible for Medicaid or may not be age-appropriate, such as deferred annuities that could make funds unavailable because of high withdrawal fees.

Marketing and Sales Practices: Seniors and their families should also be aware of how some organizations market these products. The GAO reports that some representatives may lead potential pension claimants and their family members to believe that they are veterans advocates representing a nonprofit organization or endorsed by the VA when, in fact, they are insurance agents trying to sell a product.

[Information on military pensions is available from the VA;](#) for information on annuities, go to the Division of Insurance website at [askdora.colorado.gov](#) and click on "Division of Insurance."

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The [Colorado Division of Insurance](#) regulates the insurance industry and assists consumers and other stakeholders with insurance issues.

***DORA** is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*